



Standard Financial Information Structure (SFIS) Phase III

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SFIS Phase III Objective and Scope

- **Objective:**

- Define an enterprise-level standard cost accounting structure to include standard definitions, business rules and values for cost accumulation.
- Finalize outstanding SFIS Phase I & II issues

- **Scope:**

- Cost accounting requirements must be enterprise-wide and needed by all DoD components.
- Leverage off-the-shelf ERP capabilities.



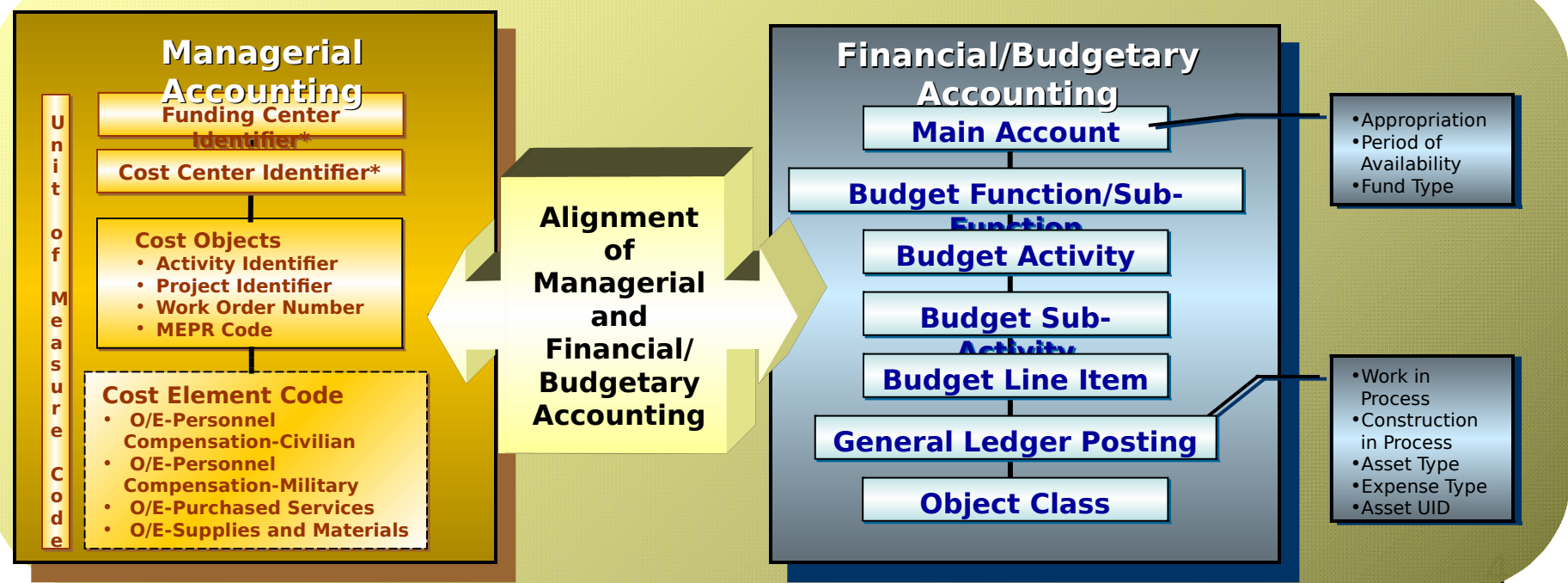
SFIS Phase III Current Status

- **Complete the definition of the Cost Accounting category of SFIS elements (including additions/deletions) and values**
 - ✓ SFIS Phase III matrix is complete and will be included in BEA 4.1 - Mar 07
 - ✓ Funding Center Identifier, Cost Center Identifier, Activity Identifier, Project Identifier, Work Order Identifier, MEPR Code, Cost Element Code, Unit of Measure
- **Finalize outstanding SFIS Phase I & II issues**
 - ✓ Draft changes have been coordinated with and voted on by governance team members and will be included in BEA 4.1 - Mar 07
- **Define Line of Business (LOB) structure and values**
 - ✓ Governance team elected to use the FEA LOB structure as a baseline
 - ✓ Need for senior leadership input - Ongoing
- **Define High-Level Program structures and values**
 - ✓ Being led by PA&E and Comptroller - Ongoing



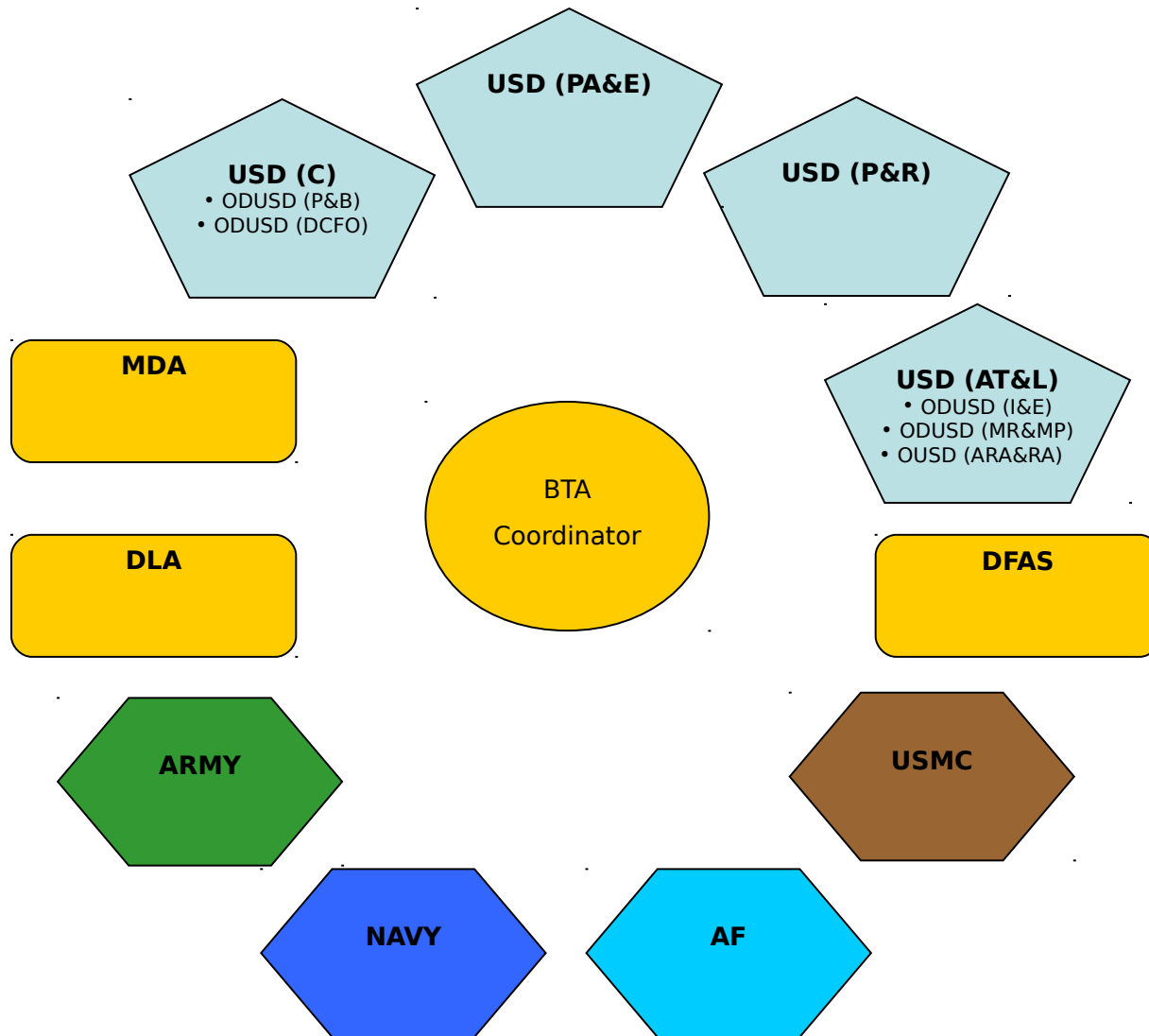
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SFIS Phase III Framework



* = Represents usage of SFIS Organization UID structure.

SFIS Phase III Governance Structure (Core Team)



SFIS Phase III Governance Structure (Core Team)

Attribute Name	Definition
Funding Center Identifier	Funding Center is a clearly defined responsibility area within an organizational unit to which budget authority is assigned.
Cost Center Identifier	A Cost Center is a clearly defined responsibility area where costs are incurred.
Project Identifier	A planned undertaking of work to be performed or product to be produced having a finite beginning and end.
Activity Identifier	An Activity is a series of events, tasks, or units of work that are linked to perform a specific objective.
Work Order Number	Identifies an individual unit of work, batch, or lot of a distinct product or service.
Cost Element Code	Cost Element is a classification of an organization's revenues, expenses or consumable resources.
Unit of Measure Code	The Unit of Measure Code indicates the count, measurement, container or form of an item.
MEPR Code	The Medical Expense and Performance Reporting (MEPR) code represents a functional cost account. Each position defines a specific 3-level hierarchical structure as prescribed in the DoD 6010.13-M, Appendix 3, Table AP3.T1.



Cost Accounting Information Funding Center Identifier

- **Description:** Funding Center is a clearly defined responsibility area within an organizational unit to which budget authority is assigned.
- **Primary Steward:** DoD Component
- **Authoritative Source:** N/A
- **Business Rules from BEA:**
 - Funding Center Identifier must be associated with one or more of the following cost objects; Project Identifier, Work Order Number, or Activity Identifier.
 - Funding Center Identifier must be associated with one or more Cost Center Identifier.
 - Funding Center Identifier must be associated with one or more accounting classifications.
 - Funding Center Identifier must be no more than 16 alpha-numeric characters.
 - Funding Center Identifier must be used for budgetary control, funds control, and reporting.
 - Each system must store and maintain Funding Center Identifiers.



Cost Accounting Information Cost Center Identifier

- **Description:** A Cost Center is a clearly defined responsibility area where costs are incurred.
- **Primary Steward:** DoD Component
- **Authoritative Source:** N/A
- **Business Rules from BEA:**
 - Cost Center Identifier must be associated with one or more Funding Center Identifiers.
 - Each system must store and maintain Cost Center Identifiers.
 - Cost Center Identifier must be no more than 16 Alpha-Numeric characters.

Cost Accounting Information Project Identifier

- **Description:** A planned undertaking of work to be performed or product to be produced having a finite beginning and end.
- **Primary Steward:** DoD Component
- **Authoritative Source:** N/A
- **Business Rules from BEA:**
 - The Work Breakdown Structure may be applied as a breakdown for the Project Identifier.
 - A Project Identifier must be associated with one or more Cost Element Code.
 - Each Project Identifier must have a performance plan and a budget.
 - Each Project Identifier must be associated with one or more Funding Center Identifiers.
 - If funding is allocated from one organization to another, the initial Project Identifier must be associated with its funding until the completion of the project.
 - If Project Identifier is used as the cost object, then the Project Identifier must be directly aligned with one or more Programs and Lines of Business.
 - Project Identifier must be no more than 24 alpha-numeric characters.
 - If Project Identifier is used as the cost object, then the Project Identifier will be used for cost accumulation.
 - If Project Identifier is used as the cost object, then each system must store and maintain Project Identifiers.

Cost Accounting Information Activity Identifier

- **Description:** An Activity is a series of events, tasks, or units of work that are linked to perform a specific objective.
- **Primary Steward:** DoD Component
- **Authoritative Source:** N/A
- **Business Rules from BEA:**
 - If Activity Identifier is used as the cost object, then the Activity Identifier must be directly aligned with one or more Programs and Lines of Business,
 - Each Activity Identifier must be associated with one or more Funding Center Identifiers.
 - Activity Identifier must be no more than 12 alpha-numeric characters.
 - An Activity Identifier must be associated with one or more Cost Element Codes.
 - If Activity Identifier is used as the cost object, then Activity Identifier will be used for cost accumulation.
 - If Activity Identifier is used as the cost object, then each system must store and maintain Project Identifiers.

Cost Accounting Information Work Order Number

- **Description:** Identifies an individual unit of work, batch, or lot of a distinct product or service.
- **Primary Steward:** DoD Component
- **Authoritative Source:** N/A
- **Business Rules from BEA:**
 - A Work Order Number must be associated with one or more Fund Center Identifiers.
 - A Work Order Number must be associated with one or more Cost Element Codes.
 - If Work Order Number is used as the cost object, then the Work Order Number must be directly aligned with one or more Programs and Lines of Business.
 - Work Order Number must be no more than 16 alpha-numeric characters.
 - If Work Order Number is used as the cost object, then Work Order Number must be used for cost accumulation.
 - If Work Order Number is used as the cost object, then each system must store and maintain Work Order Numbers.



Cost Accounting Information

Cost Element Code

- **Description:** Cost Element is a classification of an organization's revenues, expenses or consumable resources.
- **Primary Steward:** OUSD(C)
- **Authoritative Source:** BEIS SFIS Library
- **Examples:**
 - 6100.1151 - O/E - Personnel Compensation - Civilian - Full Time Permanent
 - 6800.2902 - Future Funded Expenses - Estimated Cleanup Cost Liability - BRAC Corrective
- **Business Rules from BEA:**
 - Each Cost Element Code must be associated to only one general ledger account.
 - Cost Element Code must be posted in conjunction with only one of the following cost objects: a Project Identifier, Work Order Number, or Activity Identifier.
 - Cost Element Code must be no more than 10 alpha-numeric characters.
 - Cost Element Code must be used for cost accumulation.
 - Each system must store and maintain Cost Element Codes.



Cost Accounting Information Unit of Measure

- **Description:** The Unit of Measure Code indicates the count, measurement, container or form of an item.
- **Primary Steward:** OUSD(AT&L)
- **Authoritative Source:** DLSS Unit of Issue codes (Logistics), DoD Facilities Pricing Guide, UFC 3-701-05 Unit of Measure codes and ISO 1000
- **Business Rules from BEA:**
 - A Unit of Measure Code must be used to identify any reported transaction quantity to ensure consistent comparisons across DoD organizations.
 - Unit of Measure Code must be no more than 3 alpha-numeric characters.
 - Unit of Measure Code must be used for cost control and reporting.
 - Each system must store and maintain Unit of Measure Codes.

Cost Accounting Information MEPR Code

- **Description:** The Medical Expense and Performance Reporting (MEPR) code represents a functional cost account. Each position defines a specific 3-level hierarchical structure as prescribed in the DoD 6010.13-M, Appendix 3, Table AP3.T1.
- **Primary Steward:** OUSD(P&R)
- **Authoritative Source:** DoD 6010.13-M
- **Business Rules from BEA:**
 - Each Medical Treatment Facility (MTF) incurring medical costs will report cost by Medical Expense and Performance Reporting (MEPR) code in accordance with DoD guidance.
 - Each transaction containing a Medical Expense and Performance Reporting (MEPR) code must be substantiated by auditable source documentation.
 - Medical Expense and Performance Reporting (MEPR) code must be 4 alpha-numeric characters where the first 3 positions will correspond to the MEPR code in DoD guidance and the 4th position will be reserved to accommodate expansion.
 - The Medical Expense and Performance Reporting (MEPR) code must be used in accordance with DoD guidance to identify, record, and report data from fixed Medical Treatment Facilities (MTFs).
 - Each system must store and maintain Medical Expense and Performance Reporting (MEPR) Code values.

Legacy Accounting Systems:

Legacy Accounting Systems must comply with the Under Secretary of Defense (Comptroller) memorandum, "Standard Financial Information Structure (SFIS) Implementation Policy", dated August 4, 2005. This program must submit to its PCA and appropriate IRB NLT XXXX,

(1) an SFIS Compliance Plan which includes the following:

- An implementation meeting with the BEIS integrators or projected date of completion**
- Identification of crosswalks to BEIS**
- Interface plan or projected date of completion**

(2) Verification that above information is consistent with information in the DoD Enterprise Transition Plan (ETP) or, if not consistent, when the ETP will be updated to reflect this information

Legacy Business Feeder Systems:

Legacy business feeder systems who will interface for a transitional period of time with a target accounting system must comply with the Under Secretary of Defense (Comptroller) memorandum, "Standard Financial Information Structure (SFIS) Implementation Policy" dated August 4, 2005. This program must submit to the appropriate IRB via its PCA NLT XXXX:

- (1) If not using a translator, an SFIS Compliance Checklist for business feeder system**
- (2) an SFIS Implementation Plan which includes the following:**
 - List of interfaces with accounting systems (target and legacy)**
 - Full operational date(s) for interface(s) with target accounting system(s)**
 - Date SFIS compliance has been realized or is expected**
- (3) Verification that above information is consistent with information in the DoD Enterprise Transition Plan (ETP) or, if not consistent, when the ETP will be updated to reflect this information.**

Legacy business feeder systems who will not interface with the target environment are not required to meet these SFIS conditions.

Target Business Feeder Systems:

Target business feeder systems must comply with the Under Secretary of Defense (Comptroller) memorandum, "Standard Financial Information Structure (SFIS) Implementation Policy" dated August 4, 2005. This program must submit to the appropriate IRB via its PCA NLT XXXX:

(1) the results of the independent third party assessment of FFMIA compliance or when you expect to have it,

(2) an SFIS Compliance Checklist for business feeder systems

(3) an SFIS Implementation Plan which includes the following:

- A list of systems being replaced and when (if applicable)**
- List of interfaces with accounting systems (target and legacy)**
- Full operational date(s) for interface(s) with target accounting system(s)**
- Date SFIS compliance has been realized or is expected**

(4) Verification that above information is consistent with information in the DoD Enterprise Transition Plan (ETP) or, if not consistent, when the ETP will be updated to reflect this information

This condition applies only to business feeder systems who will have a direct interface with the Target environment.

Target Accounting Systems:

Target Accounting systems must comply with the Under Secretary of Defense (Comptroller) memorandum, "Standard Financial Information Structure (SFIS) Implementation Policy," August 4, 2005. This program must submit to the program's PCA and appropriate IRB NLT XXXX,

- (1) the results of the independent third party assessment of FFMIA compliance or when you expect to have it ,**
- (2) an SFIS Compliance Checklist,**
- (3) an SFIS Implementation Plan that includes the following:**
 - An implementation meeting with the BTA Enterprise Integration Team or target date,**
 - List of interfaces with accounting/business feeder systems (target or legacy),**
 - A list of systems being replaced and when (if applicable)**
 - Date SFIS compliance has been realized or is expected**
- (4) Verification that above information is consistent with information in the DoD Enterprise Transition Plan (ETP) or, if not consistent, when the ETP will be updated to reflect this information.**